

**Alaska Department of Environmental Conservation
and
U.S. Environmental Protection Agency**

**Performance Partnership Agreement
End of Year Performance Report**

**State Fiscal Year 2005
(July 1, 2004 - June 30, 2005)**

Executive Summary

This End of Year Performance Report on the progress made implementing the SFY 2005 Performance Partnership Agreement (PPA) between the State of Alaska and the U.S. Environmental Protection Agency (EPA) was prepared to help senior managers monitor performance measures identified in the PPA. The SFY2005 PPA was drafted to enhance the State of Alaska's relationship with the EPA and to foster excellence in state and federal environmental programs under the National Environmental Performance Partnership System. The PPA is a reflection of the relationship DEC and EPA Region 10 have been moving toward to protect and restore Alaska's environment.

Delivering on Commitments

EPA and the State have accomplished many of the goals prescribed in the SF05 PPA. The status of all these activities is presented in the body of this report and the attached grant reports. SFY 2005 PPA accomplishments include:

- Both organizations recognized the need for an improved partnership. Specific commitments were established to improve cross-organizational knowledge and communication. These commitments have been largely implemented with good results.
- Better communication between EPA and DEC has improved the process for changing Alaska Water Quality Standards. Difficult policy issues were raised regarding natural conditions guidance. DEC will likely pursue other means to accomplish this objective.
- Both DEC and EPA have invested in improving communications with Tribes in order to understand respective environmental priorities. Informational materials specific to Tribal issues have been developed and made available over the internet.
- A Rural Diesel Emissions Health Risk Assessment pilot study and Health Survey Plan have been completed by DEC. DEC has also actively solicited rural community participation in this effort. St. Mary's has been chosen as the study community for a pilot phase.
- Toxics Release Inventory communication issues were well coordinated and delivered.
- Fish Tissue Monitoring data was collected and disseminated throughout the State.

Items not completed

While many of the tasks identified in the PPA have seen progress, several tasks stalled and some still need to be accomplished:

- Additional State-requested IGAP grant information is being prepared for delivery to DEC.
- Impaired waters list has been going through review and needs to be provided by DEC.
- EPA Region 10 experienced a loss of senior NPDES permit writers since the development of this PPA. Reducing the backlog of permits continues to be an issue of concern.
- EPA's inability to timely process the air grant application and associated PPA workplan in late April as an FY05 grant amendment jeopardize funds for a project of high mutual priority for both EPA and DEC. It is of critical importance that grant awards become timely and that the doubt about carryover funds be resolved in a timely manner.

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I. INTRODUCTION AND PURPOSE

The National Environmental Performance Partnership System is a framework designed to achieve better environmental results by focusing the capacities and resources of the Environmental Protection Agency and the States to jointly address the most pressing environmental problems. Common goals, priorities and strategies are based on information about environmental conditions, and progress is evaluated based on results actually achieved in the environment.

Successful implementation of the PPA is dependent upon each of the partners carrying out their respective parts. Joint evaluation, in which EPA and State officials assess progress and remaining challenges together, facilitates mutual understanding of each other's strengths and opportunities for improvement, and sets the stage for continuous improvements in how they work together.

A well-managed system for conducting joint evaluations is essential to resolving the tension between providing more flexibility to States through PPAs and PPGs and ensuring accountability for results. Joint evaluation also provides an opportunity for reviewing EPA's progress in meeting its own commitments to the State, such as for providing technical assistance, staff training, and analytic or legal support.

This End of Year Report provides for stronger accountability and results-oriented evaluation of the PPA; the objective is to strengthen the PPA so that it can serve as the defining document for the State-EPA partnership. The PPA End of Year Report is one of the key tools employed in the process of jointly evaluating how well the PPA is working. The performance information in the report supports State and EPA program planning and decision making as well as providing assurance to officials and the public that EPA and the States are carrying out their environmental program responsibilities. This report will be used by State and EPA managers to discuss accomplishments as measured against work plan commitments; the cumulative effectiveness of the work performed under all work plan components; existing and potential problem areas; and suggestions for improvement.

II. End of Year Evaluation of DEC/EPA SFY05 PPA Priorities

Improved State and EPA Performance Partnership

Joint DEC and EPA Commitments - End of Year Evaluation:

- *Work as partners to build trust, openness, and public confidence.*
 - Both EPA Region 10 and DEC have exchanged strategic planning documents (Strategic Plan, Regional Plan, National Program Manager (NPM) Guidance) and budget documents (Annual Commitment System and Missions and Measures) for review and comment by each Agency.

- *Collaborate in allocating resources to address the joint priorities listed in this agreement.*
 - ▶ EPA Region 10 and the State of Alaska have entered into two Performance Partnership Grants (PPGs); one water PPG consisting of Clean Water Act (CWA) 106 and 319 funds with a total budget [including match] of \$6.65 million, and an air/pesticide PPG with a total budget of \$3.1 million [including match]. These assistance agreements allocated resources to joint priorities.
- *Communicate on emerging state or national issues and opportunities to learn from the experience or best practices of other states or government agencies.*
 - ▶ DEC and EPA Region 10 air program professionals communicated throughout the period to support the State's Rural Diesel Health Study efforts. EPA Region 10 staff worked with DEC to help tailor Toxics Release Inventory (TRI) data communications to help Alaska educate its citizens on TRI.
- *Be accountable to results and flexible in the methods to achieve results.*
 - ▶ Midyear and End of Year PPA and PPG Reports have documented results and are used to hold the agencies accountable.
- *Collaborate in developing environmental indicators and program performance measures appropriate for Alaska.*
 - ▶ EPA has initiated development of outcome measures for the Alaska Native Villages program.
 - ▶ The State and EPA would benefit from the development of specific environmental outcomes that are measurable and that would provide stronger accountability and results-oriented evaluation.

DEC Commitments - End of Year Evaluation:

- *Provide EPA's Senior State Representative monthly meeting opportunities with DEC senior management to review and discuss issues of mutual concern.*
 - ▶ EPA's Senior State Representative has attended DEC's Senior Staff Issues meetings on a monthly basis, which has provided a consistent venue to review and discuss issues of mutual concern.
- *Provide EPA the opportunity to review and comment on revisions to DEC Strategic plans and priorities.*
 - ▶ DEC's FY2006 Budget has been disseminated to EPA Region 10 Senior Management for comment.
- *Commit to have DEC's senior management team attend an annual fall meeting in Alaska with EPA Region 10 senior management to review performance results under this agreement and to initiate planning for the following year.*
 - ▶ The 2004 fall meeting to review performance results was postponed to spring 2005 in

order to coincide with the issuance of the PPA Midyear Report, and to coincide with the development phase for the next PPA.

- *Comment on the measures and targets in Region 10's strategic plan and the environmental indicators that should be used to guide EPA's strategic plans, priorities and performance reports for Alaska.*
 - ▶ DEC reviewed and provided comment on EPA Region 10's Annual Commitment System review and National Program Guidances.

EPA Commitments - End of Year Evaluation:

- *Attend monthly meetings with DEC senior management to review and discuss issues of mutual concern.*
 - ▶ EPA's Senior Representative to the State of Alaska has regularly attended DEC senior management meetings, actively canvassing EPA program managers for relevant issues and relaying State concerns to Regional Program Managers.
- *Provide DEC the opportunity to review and comment on revisions to EPA strategic plans and priorities.*
 - ▶ EPA Region 10 solicited comments from the State of Alaska on Region 10's Annual Commitment System review and National Program Guidances.
- *Commit to have EPA Region 10's senior management team attend an annual fall meeting in Alaska with DEC senior management to review performance results under this agreement and to initiate planning for the following fiscal year.*
 - ▶ The fall meeting to review performance results was postponed to spring 2005 in order to coincide with the issuance of the PPA Midyear Report and to coincide with the development phase for the next PPA.
- *Comment on DEC's annual performance measures for SFY 2006.*
 - ▶ DEC's FY2006 budget with performance measures was disseminated to Senior Regional Management for comment. No Regional comments were provided to the State. A planned review of the State's budget and strategic plans by Region 10 personnel will improve joint planning and program implementation. A more well prepared and coordinated effort by the EPA Representative in Juneau would help ensure that the benefits of performing this task are reflected in joint planning activities.
- *Provide at the beginning of this PPA period and at the Midyear review a list of all EPA grants DEC is eligible to apply for, including grant offers from both Headquarters and Region 10. The list should identify the schedule for issuing the grants, the potential amounts available to the State, and whether it is a formula-driven grant or a competitive process.*
 - ▶ EPA provided information on EPA grants in the State of Alaska and also provided direction on how to find this information directly from EPA's web page. EPA also

provided direction to the State on how to locate other EPA grant information, including funding opportunities and pending awards, directly from EPA's web page.

- *Identify the members and purpose of the Alaska/Arctic Strategy Team listed as a program in Region 10's Strategic Plan sub-objective for restoring community health.*
 - ▶ Acting Commissioner Fredriksson was briefed by Alaska Operations Office staff on the members, status, and purpose of the Arctic Strategy Team.
- *Provide information to DEC on all EPA grants made to other State and federal agencies, local governments and non governmental organizations in Alaska, including work done under the EPA Office of Research and Development's Science to Achieve Results Program grants.*
 - ▶ EPA provided information on EPA grants in the State of Alaska and also provided direction on how to find this information directly from EPA's web page. EPA also provided direction to the State on how to locate other EPA grant information, including funding opportunities and pending awards, directly from EPA's web page.

Water Quality Standards Approval

Joint DEC and EPA Commitments - End of Year Evaluation:

- *Work together early in the WQS revision process to identify the information, data and justification that may be needed to support the timely approval of changes to the WQS.*
 - ▶ Region 10 has assigned new WQS staff with the goal of emphasizing earlier coordination. The State of Alaska recognized, and has expressed appreciation for, the Region's timely and responsive reply to State requests for early review of drafts. Lisa McGuire was assigned as the new Alaska WQS coordinator in July 2004. Jean Zodrow of Region 10's Office of Environmental Assessment has also been tasked with supporting preparation of AK WQS ESA and EFH consultation documents. EPA has also tasked these and other Water Quality Standards and Office of Environmental Assessment staff to assist on standards issues that arise in connection with NPDES permits. DEC provided EPA with the opportunity to provide, and EPA has provided, timely and substantive written comment on pre-public notice and post-public notice drafts of WQS revisions. These include written comments on the proposed mixing zones regulation; draft residues standard; and dissolved oxygen and analytical methods revisions.
- ▶ *Invite the early involvement of NOAA-Fisheries and US Fish & Wildlife Service (USFWS) in the development of a standards revision when an Endangered Species Act (ESA) or Essential Fish Habitat (EFH) consultation may be required.*
 - ▶ Ongoing. EPA and DEC are working with USFWS and NOAA to accomplish this commitment. EPA, DEC, NOAA, and USFWS staff have taken several actions to support the overall goal of early involvement of NOAA and USFWS in the

development of standards revisions. These actions include DEC request for non-Federal representative status for the purpose of EFH consultation and informal ESA consultation. EPA designated DEC as a non-Federal representative in a letter dated 1/25/05. A series of conference calls among DEC, EPA, NOAA and USFWS staff on the overall AK WQS consultation yielded several results including technical commentary from the Services on ways to improve future ESA/EFH assessments that EPA may prepare, discussion of overall AK WQS ESA/EFH workload, including previous unfinished ESA/EFH consultations as well as upcoming requirements, and recognition of the need to prioritize draft flowchart, describing the AK WQS development/rulemaking/ review process, indicating junctures for early exchange and input from the Services.

- *Coordinate the review of WQS changes by federal resource agencies under ESA and EFH consultation early in the standards revisions process.*
 - Ongoing. EPA and DEC are working with USFWS and NOAA to accomplish this commitment. EPA, DEC, and the Services have taken several steps on current rulemakings to facilitate timely airing of ESA/EFH issues. In early CY 2005, EPA convened conference calls to discuss DEC's proposed revisions to its mixing zone policy. EPA is preparing, but has not yet completed, its draft biological evaluation for the proposed revised mixing zone policy. In early CY 2005, DEC convened an informational conference call to inform the Services and EPA that it intended to propose minor revisions to its dissolved oxygen standard and analytical methods citations. The Services and EPA agreed, based on this call and subsequent e-mail exchange, that given the nature of these revisions, ESA and EFH consultation would not be required. In June 2005, DEC provided EPA and the Services with a pre-public notice draft revision of the "residues" standard. EPA and the Services thus had an opportunity to provide early input and written comment as DEC considers the version that will go out for public notice.

DEC Commitments - End of Year Evaluation:

- *Inform EPA of WQS issues under consideration for revision. Provide a schedule, including dates where EPA approval is needed, and describe DEC's proposed approach and schedule before releasing revisions for public comment.*
 - Successfully completed.
- *Provide EPA an opportunity to review a draft revision and discuss their comments with DEC before the public comment period.*
 - Successfully completed.

EPA Commitments - End of Year Evaluation:

- *Treat the approval of WQS as a high priority for achieving the water quality protection objective in Region 10's Strategic Plan.*

- ▶ Written commitment for recognizing the high priority has been incorporated in the Regional Plan.
- *Provide “up front” technical assistance to DEC on proposed revisions to Alaska’s water quality standards.*
 - ▶ EPA has responded to the State’s requests within the resource constraints of the Region.
- *Work with DEC to develop an acceptable approach to approve DEC’s program guidance for establishing site-specific criteria based on natural conditions. Use of the guidance will result in protective decisions without redundant EPA review on a case-by-case basis.*
 - ▶ Following discussions with EPA regarding the process for EPA's approval of DEC's natural conditions guidance, DEC has chosen to instead pursue a larger revision to the provisions in Alaska's water quality standards dealing with site-specific criteria. That is, rather than pursue a modification to EPA's earlier approval of the site-specific criteria provision, DEC has chosen to revise the site-specific criteria standard itself. DEC is working on the revised standard and will submit the revised standard to EPA at a later date.

Communications with Alaska Tribes

Joint DEC and EPA Commitments - End of Year Evaluation:

- *Hold joint work sessions with Tribal representatives at meetings such as the annual meeting of the Alaska Native Health Board, or IGAP training sessions, for the purpose of understanding the respective environmental priorities of all entities and discuss how issues of mutually high priority can use available resources, including personnel, technical assistance and funding, to maximize public health and environmental outcomes.*
 - ▶ EPA, State, and Tribal joint work sessions have taken place at the Alaska Native Health Board meeting and during the Alaska Forum. Additional sessions took place during the Tribal Leaders Summit in Sitka, Alaska.
- *Develop a process for sharing information with Alaska’s Tribal governments about environmental priorities and programs.*
 - ▶ Technical resources have been developed and provided on the internet. Additional sharing of information between the EPA, State, and tribes took place at the Tribal Leaders Summit in Sitka, Alaska in April 2005.

DEC Commitments - End of Year Evaluation:

- *Provide information to Alaska tribes and EPA on Alaska’s environmental statutes, regulations, and DEC’s responsibilities, programs, services, and priorities.*
 - ▶ Information has been developed and provided on the internet. Senior DEC staff

participated at several Tribal venues including the Tribal Leaders Summit in Sitka, Alaska in April 2005, and two IGAP training sessions (Alaska Native Tribal Health Consortium (ANTHC) and the Alaska Forum on the Environment, in Anchorage) to share information between the EPA, State, and tribes.

- *DEC will participate in discussions to share program information and provide technical assistance to tribes seeking to develop environmental programs.*
 - EPA, State, and Tribal joint work sessions have taken place at the Alaska Native Health Board meeting and during the Alaska Forum where environmental program information was shared.

EPA Commitments - End of Year Evaluation:

- *Provide information to DEC of IGAP grants and other program grants to Alaska tribes, including work done under the Indian Lands Open Dumps grant.*
 - IGAP grant recipients' data has been submitted to DEC. DEC has been provided with EPA web page link for IGAP information. DEC has requested that additional information on IGAP grants be provided such as grant amounts and work plan objectives. Indian Open Dumps grant information has been provided to the State.
- *Identify Tribal grantees by media interest and proposed projects and develop opportunities for open communication and coordination (teleconferences, face-to-face meetings, workshops, etc.) between DEC technical specialists and Tribal environmental specialists.*
 - EPA, State, and Tribal joint work sessions have taken place at the Alaska Native Health Board meeting and during the Alaska Forum to provide opportunities for communication and coordination. Additional sessions took place during the Tribal Leaders Summit.
- *Report on the results of the Alaska Native Health Board solid waste demonstration grant.*
 - Background information on the solid waste grant was provided to the State.
- *Identify potential sources of EPA funding for those tribes interested in collaborating with DEC and EPA regarding the priorities set forth in this PPA (including Rural Diesel Emissions Health Risk Assessment and Fish Tissue Monitoring).*
 - IGAP training staff offered opportunity for DEC to participate in IGAP training to discuss their programs and partnership opportunities. EPA and DEC presented partnering opportunities for IGAP recipients.

Rural Diesel Emissions Health Risk Assessment

Joint DEC and EPA Commitments - End of Year Evaluation:

- *Communicate with the chosen study communities to convey the purpose and findings of the*

study with periodic updates to inform the community of study progress.

- ▶ DEC has actively communicated with five rural communities regarding possible involvement in this study. Communication and site visits have occurred. St. Mary's was chosen as a study community for the pilot phase. Resolutions of support from two tribes in St. Mary's and city government have been received. Logistics to commence field study is underway for fall 2005 monitoring and health assessment.
- *As the study is implemented, share scientific knowledge or resolve field study problems.*
 - ▶ DEC has reported that due to funding time lines, study results are expected after the start date of field work.
- *Use the study results to guide requirements for stationary source emission controls and/or other appropriate mitigation measures.*
 - ▶ DEC has reported that due to funding time lines, study results are expected after the start date of field work.

DEC Commitments - End of Year Evaluation:

- *Inform rural Alaska communities and tribes of the research purpose, goals and time frame, the data gathering techniques, and the implications of the research.*
 - ▶ DEC has actively communicated with five rural communities regarding possible involvement in this study. As noted above, one of the five candidate communities has been chosen and local support received.
- *Finalize the study design and put it through peer review.*
 - ▶ Pilot field study plans and health survey portion complete, and ambient monitoring portion in final draft. No action underway or expected on peer until pilot phase occurs.
- *Take the lead in communicating with other rural Alaska communities and tribes about the diesel health assessment work so that those communities can be better prepared to make decisions about the use of ultra low sulfur diesel fuel conversion in their community.*
 - ▶ DEC has actively communicated with five rural communities regarding possible involvement in this study. Two expressed an interest in participating in the study. St. Mary's was the selected community. Outreach and education for broader rural communities will occur after pilot field work is underway.
- *Take the lead in executing the field study.*
 - ▶ Pilot study to be executed in 2005 and then peer reviewed in 2006 or early 2007. Final field study pending funding. Equipment for pilot field work is being deployed. Field study to commence in fall 2005. Peer review will be in 2006 or early 2007.

EPA Commitments - End of Year Evaluation:

- *Support DEC as it seeks funding for this study from EPA Headquarters or EPA Research Labs as a unique regional issue in the Region's strategic plan for clean diesel. This work is expected to require funding in excess of discretionary state funds or normal Clean Air Act Section 105 grant funds available to Alaska.*
 - EPA was not successful in procuring funding to support this effort.
- *Identify and assist in contacting additional consultation from EPA experts across the country knowledgeable in this field of risk assessment and field monitoring.*
 - Technical support has been provided to the State. Additional technical support will be needed at the peer review stage.
- *Assist DEC should the study features or logistics to execute the study require unique regulatory, policy, consultative or interpretive actions by EPA.*
 - Assistance is not yet needed.
- *Inform Alaska Tribal governments how they can participate and partner with DEC and EPA in a study of health risks from diesel power generator emissions.*
 - DEC was invited by EPA to present study information at EPA IGAP training. A session on this topic was presented at the Tribal Leaders Summit, April 2005 in Sitka, Alaska.
- *Work with DEC staff to identify and create opportunities to share program information about the Rural Diesel Program with Alaska Tribal governments.*
 - DEC has presented program information at several Tribal meetings in Anchorage and Sitka, which was well received.

Fish Tissue Monitoring

DEC Commitments - End of Year Evaluation:

- *Advise Alaska communities and tribes of the research purpose, goals and time frame, the data gathering techniques, and implications of the research.*
 - The State has issued press releases, and participated on working groups to educate Alaskan communities and tribes on fish tissue monitoring.
- *Implement the statewide fish tissue monitoring plan for mercury and other contaminants.*
 - Yes - implementation is ongoing.
- *Maintain a web page where EPA, the public, and tribes can access data collected on the levels of mercury and other contaminants found in Alaska fish.*
 - Yes - ongoing. The State maintains a fish monitoring web page at:
<http://www.dec.state.ak.us/eh/vet/fish.htm>

- *Submit to EPA a comprehensive report of data results when the state has completed its evaluation of study findings.*
 - The State has submitted report of data results to EPA for review.
- *Publish fish consumption bulletins with the Alaska Department of Health and Social Services regarding any risk of consuming Alaska fish.*
 - Yes - press releases were published; no restrictions are being suggested at this time.

EPA Commitments - End of Year Evaluation:

- *Fund DEC's fish monitoring program with a congressional appropriation.*
 - Completed.
- *Include Alaska's fish tissue data when developing National Fish Consumption Advisories, and consult with the Alaska Department of Health and Social Services and DEC before issuing any future fish consumption advisories in Alaska.*
 - Yes - EPA has incorporated State comments.
- *Identify potential sources of EPA funding for those tribes interested in collaborating with DEC and EPA regarding fish tissue monitoring.*
 - No activity.
- *Work with DEC staff to identify and create opportunities to share program information about the fish monitoring program with Alaska Tribal governments.*
 - This issue was discussed at the Tribal Leaders Summit in Sitka in April 2005 additional work is ongoing.

Restoration and Protection of Water Quality

Joint DEC and EPA Commitments - End of Year Evaluation:

- *EPA and DEC will work together to meet our statutory requirements in a timely manner. These include: Develop, review and approve water quality standards; develop and approve listings of impaired waters; develop and approve TMDLs, and issue discharge permits and certify compliance with water quality standards.*
 - Water Quality Standard review is going well; natural conditions guidance raised difficult policy issues.
 - Impaired water list well underway; to be delivered soon to EPA for review.
 - Four TMDLs submitted and approved.
 - EPA NPDES permits backlog continues to be an issue.
- *Work together to describe how the status and progress of Alaska's water program applies to EPA's watershed protection and restoration goals. The agencies will work together to*

identify priority watersheds and the applicable programmatic and watershed goals.

- ▶ ACWA ranking methodology is being applied in the State's ranking and prioritization process. Working together on restoration goals for watersheds.
- *Coordinate TMDL work to ensure the court ordered requirement to develop and establish at least two TMDLs per year is met.*
 - ▶ Four TMDLs submitted and approved. Jordan Creek (residues), Westchester Lagoon (fecal coliform bacteria), Chester Creek (fecal coliform bacteria), University Lake (fecal coliform bacteria).

DEC Commitments - End of Year Evaluation:

- *Make state ACWA priorities continuously available to EPA through the DEC website.*
 - ▶ Complete and ongoing.
- *Utilizing ACWA, determine water quality work priorities and the appropriate balance of DEC efforts (including internal work, grants, contracts, and agreements with other agencies) for monitoring, restoration and protection.*
 - ▶ Implemented and work is ongoing.
- *Fulfill DEC's responsibilities under Section 319 of the Clean Water Act to develop and implement a management program including development and implementation of TMDLs.*
 - ▶ Implemented and work is ongoing.
- *Develop a comprehensive water monitoring program strategy as described in the "Elements of a State Water Monitoring and Assessment Program" guidance.*
 - ▶ Yes - program strategy is on track. First draft has been submitted to EPA. EPA has responded and DEC has incorporated comments. Final monitoring strategy prepared in June 2005.
- *Provide timely 401 certification on EPA's preliminary final NPDES permits.*
 - ▶ Implemented and work is ongoing.

EPA Commitments - End of Year Evaluation:

- *Approve Alaska's 6217 non point source pollution control program or provide DEC with specific direction on the requirements needed for approval.*
 - ▶ EPA has provided comments to the State via NOAA on non point source pollution control.
- *Target water quality program PPG funds for joint priorities, as described in this PPA.*
 - ▶ PPG funds work plan negotiated priorities.
- *Inform DEC of water monitoring projects conducted or funded by EPA and ensure that*

monitoring data collected or funded by EPA will be entered into STORET.

- ▶ No activity.
- *Implement an effective NPDES program (permit issuance, pretreatment, biosolids, stormwater).*
 - ▶ EPA Region 10 has experienced a loss of senior NPDES permit writers since the development of this PPA; reducing the backlog of permits continues to be an issue of concern. EPA Region 10 continues to provide technical support for the State's Primacy efforts.
- *Continue to provide technical support to DEC staff in the development of TMDLs, and review and make decisions on TMDLs in a timely manner.*
 - ▶ Provision of EPA technical support has been provided. Ward Cove site continues to require attention from both EPA and DEC.
- *Support DEC in its requests to EPA Headquarters to revise the CWA Section 106 funding formula to ensure DEC receives a more equitable share.*
 - ▶ EPA Region 10 represented the State of Alaska's 106 funding formula concerns with EPA Headquarters during the national 106 program managers meeting. EPA Region 10's Office of Water and Watersheds submitted a written request to EPA Headquarters to amend the 106 funding formula. Neither of these efforts were successful in bringing about the change requested by the State of Alaska.
- *Assist DEC in its efforts to ensure that CWA Section 319 funds are equitably provided to DEC in the same manner as provided to other states (i.e., apply the funding formula consistently across all states).*
 - ▶ EPA HQ has responded to the State's request but was unsupportive.
- *In conjunction with other Region 10 states and EPA Headquarters, evaluate the opportunity to issue 104(b)(3) grants to states via a combination of an annual allotment and a competitive process.*
 - ▶ A National Performance Partnership Steering Committee has considered this issue and has recommended that Water Quality Cooperative Agreements remain fully competitive (while the base allocation pilot continues in Region 1). The workgroup is to reconvene in the fall of 2005 to evaluate the results of the Region 1 pilot.

Wetlands Protection

EPA Commitments - End of Year Evaluation:

- *Assist DEC with the development of Alaska's State Programmatic General Permit.*
 - ▶ The State has decided not to pursue a State Programmatic General Permit this year.

- *Work with the Corps through EPA headquarters to develop guidance to delineate federal Clean Water Act jurisdictional wetlands from non-jurisdictional wetlands in Alaska.*
 - ▶ EPA Region 10 has requested this guidance from EPA Headquarters. The guidance has not been developed.

Sector Based Regulatory Review Teams

EPA and DEC Commitments - End of Year Evaluation:

- *Assign staff to work together on each of the major sector activities referenced above. Mining and Oil and Gas Sector staff will meet at least quarterly to review the status of active or pending projects in each of the major sectors, review federal and state legal and policy requirements applicable to each sector, and identify any issues needing review by the agencies.*
 - ▶ EPA has identified team leads for Oil and Gas activity and Mining activity. EPA's Oil and Gas leadership met with the DEC Commissioner. Mining Sector staff regularly review the status of active and proposed projects and identify issues needing review via frequent phone conversations. The State of Alaska's representative for the mining project team has been coordinated through the Department of Natural Resources, Office of Project Management and Permitting (OPMP), who coordinates with the individual divisions of the Department of Environmental Conservation. The state agencies in the Mining Sector team meet weekly. The State's team lead for mining meets bimonthly by phone with the EPA's Mining Sector team leader. Timber and stormwater staff have not been identified and have not met.

DEC Commitments - End of Year Evaluation:

- *Include all draft DEC permits for projects that fall within one of the major sectors in the draft environmental impact statements required under NEPA.*
 - ▶ Commitment has been met. Kensington NEPA review process could have been better served with better EPA-State communication in order to avoid surprises and resource consuming clarification process.

EPA Commitments - End of Year Evaluation:

- *For projects which EPA has permitting and NEPA compliance responsibility, EPA will include a draft permit in the draft EIS if the project proponent has submitted a complete permit application in time for EPA to meet the lead agency's publication schedule.*
 - ▶ Commitment has been met.

Toxics Release Inventory

DEC Commitments - End of Year Evaluation:

- *Assign staff to work with EPA to draft an Alaska-specific TRI document.*
 - ▶ Completed.

EPA Commitments - End of Year Evaluation:

- *Assign staff to work with DEC to draft an Alaska specific TRI document that provides additional context on factors to consider for Alaska's TRI releases and other waste management activities. EPA is willing to help Alaska tailor the Public Data Release brochure and the current "factors to consider when using TRI data" brochure to help Alaska educate its citizens on TRI.*
 - ▶ Completed.

Drinking Water Rules and Primacy Delegation Approvals

DEC Commitments - End of Year Evaluation:

- *Assign staff to work with EPA to obtain extension agreements, and complete rule adoption packages and primacy applications.*
 - Pending - adoption packages not yet delivered to EPA.

EPA Commitments - End of Year Evaluation:

- *Support the use of Extension Agreements for rule adoptions and provide timely guidance in the form of staff and written documentation to DEC on the statutory requirements for rule adoptions, primacy delegation, and program requirements.*
 - ▶ Completed.

Public Water System Compliance

DEC Commitments - End of Year Evaluation:

- *Provide compliance assistance consisting of written information and workshops for public water owners and operators and utility managers on drinking water rule requirements.*
 - ▶ Ongoing state activity including web cast participation and delivery of workshops. DEC distributed multiple newsletters to all PWS owners and operators. Topics included new federal regulations, administrative penalties, non compliance costs, engineered plan reviews, emergency response planning, regulations, training rules, capacity development, monitoring waiver renewals, seasonal systems, compliance and enforcement activities and workshop announcements. These newsletters are

available on the State web site. Workshops included emergency response planning (in 10 locations around the state), three sanitary survey training workshops, training at the Alaska Water Wastewater Management Association (AWWMA) Annual Conference, a Comprehensive Performance Evaluation (CPE) workshop with the City of Kotzebue, and a workshop with the Alaska Training and Technical Assistance Center (ATTAC) and Bill Chamberlain (EPA Region 10, Seattle) to focus on the City of Kotzebue's compliance with the Long Term 1 Enhanced Surface Water Treatment Rule.

- *Focus resources on enforcement activities for those public water systems on EPA's Significant Noncompliers (S.C.) List and the S.C. Exceptions List.*
 - Ongoing implementation of this activity. The State of Alaska Drinking Water Program has made progress reducing the number of PWS on the SNC List. FY 2005 ADEC commitments (count) of the Total Targeted SNC PWS (215 systems) to be formally addressed by June 30, 2005, not including those PWS referred to EPA are the following:
 - Total Coliform Rule(TCR) – 28 PWS (ADEC agreed to 100%, or 28 PWS), as of 6/30/05, 93% achieved (26 PWS), 2 PWS remain unaddressed.
 - Surface Water Treatment Rule (SWTR) – 28 PWS (ADEC agreed to 100%, or 28 PWS), as of 6/30/05, 42% achieved (12 PWS), 16 PWS remain unaddressed. [Compliance issues associated with the SWTR are scheduled for discussions in September 2005 in Anchorage, AK]
 - Nitrate – 58 PWS (ADEC agreed to 100%, or 58 PWS), as of 6/30/05, 88% achieved (51 PWS), 7 PWS remain unaddressed.
 - Chemical and Radionuclides (CHRD) – 32 PWS (ADEC agreed to 80%, or 26 PWS), as of 6/30/05, 96% achieved (25 PWS), 1 PWS remain unaddressed.
 - Initial Lead – 39 PWS (ADEC agreed to 80%, or 31 PWS), as of 6/30/05, 90% achieved (35 PWS), and no PWS remain unaddressed as agreed to in the PPA. Alaska exceeded their planned goal by 10%.
 - Consumer Confidence Reports (CCR) – 30 PWS (ADEC agreed to 80%, or 24 PWS), as of 6/30/05, 100% achieved (30 PWS), and no PWS remain unaddressed as agreed to in the PPA. Alaska exceeded their planned goal by 20%.

As of June 20, 2005, there were 105 Alaska PWS on the SNC List (April 2005 ADEC corrected SNC List). This is a reduction of 19 PWS or 15% from the SNC List of January 24, 2005. The State of Alaska Drinking Water Program continues to make steady progress on reducing the number of PWS on the SNC List, and met several targets (unaddressed) SNCs by June 30, 2005. Overall, the Drinking Water Program met 93% (92.8%) of the agreed upon SNC targets in the PPA for FY 2005.

A significant issue that needs to be resolved, and is in the process of resolution from continued discussions with EPA since March 2005, is the classification of the State of Alaska, Drinking Water Program's Notice of Violation (NOV) as a formal enforcement action. EPA Headquarters Office of Enforcement and Compliance

Assurance (OECA) staff, Lourdes Bufill in a verbal communication August 22, 2005, noted that Alaska's NOV meets EPA's definition of a "formal enforcement action" and is similar to EPA's Administrative Order. However, because of standardized SDWIS codes, NOV's are not recognized by EPA as a formal enforcement action, and as such, many Alaska PWS that have received NOV's remain on the SNC List as unaddressed. The number of Alaska PWS on the SNC List would be reduced, possibly significantly, if Alaska NOV's were recognized by EPA as a "formal enforcement action" through the routine SDWIS coding process.

Enforcement actions issued statewide for FY 2005 by Drinking Water Program staff, total – 1,276. Summary as follows:

- Monitoring Summaries (establish compliance monitoring schedules for PWS): 912

Warning Letters

- Notices of Violation (NOV): 68 (issued more NOV's in FY 2005 than all of FY2004 and FY 2003 combined (32 NOV's and 4 NOV's respectively)
- Compliance Orders by Consent (COBCs): 1
- Administrative Penalty (AP): 6 (no AP's issued in FY2004 or FY 2003)

Sanitary Surveys completed during FY2005, combined ADEC-certified third-party inspectors and ADEC DW Program staff –366. Summary as follows:

Third-party inspectors: 315

Drinking Water Program staff: 51

EPA Commitments - End of Year Evaluation:

- *Provide training workshops using EPA staff or contractors in Alaska, as well as fully utilize satellite video conferences with downlink sites in Alaska, and web cast training seminars for DEC staff and public water system owners and operators on the implementation requirements of new federal rules.*
 - ▶ New rules pending.
- *In partnership with DEC, complete timely enforcement on public water system referrals with a significant history on noncompliance and non-cooperation with DEC.*
 - ▶ Ongoing activity. DEC referred several actions to EPA. EPA initiated appropriate enforcement actions.

Environmental Monitoring and Assessment Program

EPA Commitments - End of Year Evaluation:

- *Proactively assist DEC in securing funding to complete Alaska's coastal and surface waters*

assessments.

- ▶ \$1 million earmark in the US EPA FY05 budget, and working with US EPA Office of Research and Development to fund \$435k of additional EMAP work. DEC reports good support from EPA on this activity.

Compliance and Enforcement

EPA Commitments - End of Year Evaluation:

- *Meet with DEC in Alaska on the scope and schedule of EPA's wet weather compliance assistance pilot project.*
 - ▶ Compliance assistance activity reported this period includes Alaska Homebuilders Annual Meeting October 28, 2004 held in Homer, Alaska with 45 attendees, and a presentation by Conference Call for Matanuska-Susitna Borough staff April 18, 2005 in Palmer, Alaska with 15 attendees. EPA has taken many stormwater enforcement actions in Alaska. Ongoing stormwater education and compliance and assistance outreach will be helpful in Alaska. EPA Region 10 has consulted throughout the year with DEC staff Gregory Drzewiecki and Mel Langdon regarding EPA's storm water activities in Alaska.

III. PERFORMANCE REPORTING AND EVALUATION

EPA and DEC Commitments - End of Year Evaluation:

- *As a condition of this agreement and subsequent grants awarded to DEC by EPA, DEC will report accomplishments to EPA semi-annually and EPA will report its accomplishments semi-annually to DEC. Reports will be based on information supporting performance measures identified in this agreement outlining accomplishments, existing or potential problems, and suggestions for improvement. The reports will be exchanged by January 30 and July 30 of 2005. EPA will schedule a report review meeting with DEC to discuss the report and make appropriate adjustments.*
 - ▶ This End of Year PPA Report is being disseminated in October. The State has submitted its End of Year PPG Report for their water PPG. The EPA PPG End of Year Report has not yet been submitted. The Air PPG reports annually; the End of Year Air PPG report for FY2005 has been submitted by the State.
- *EPA and DEC program directors agree to meet in September each year to discuss strategic environmental issues in Alaska. Information from this discussion will be used by each agency when developing subsequent strategies and budgets.*
 - ▶ The planned September 2004 meeting was postponed. The program directors meeting took place in Juneau in April 2005 to coincide with the EPA Region 10 Tribal Leaders Summit in Sitka. This was a late date for this meeting and required

that most PPA and PPG work be near completion prior to the April meeting in order to meet EPA's grant office deadline of receipt of grant application by 1 May.

